

# Government of Canada Securities

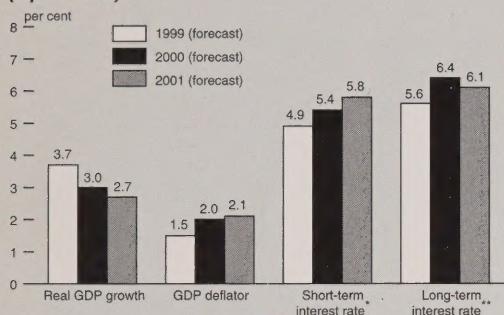
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A Publication of the Department of Finance Canada

April 2000

## Canadian Economy

### OECD economic forecast for Canada (April 2000)

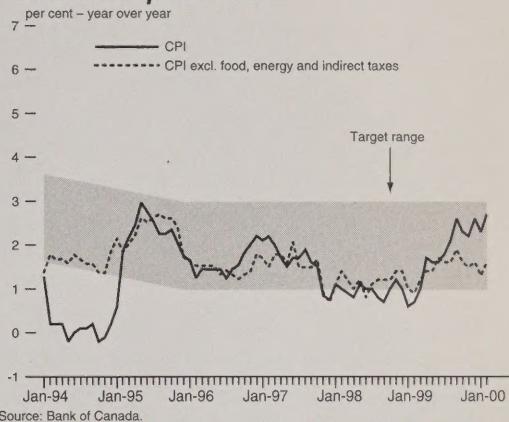


\*90-day finance company paper.

\*\*Over 10-year federal government bonds.

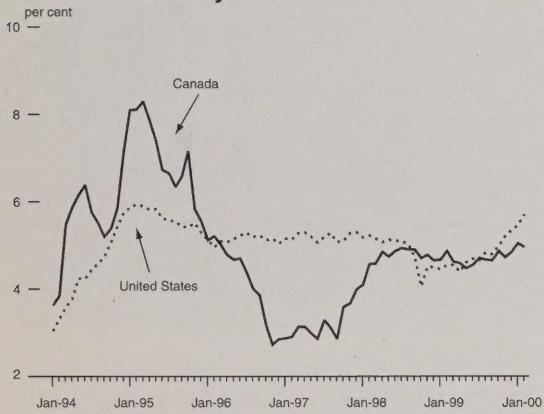
Source: OECD.

### Consumer price index



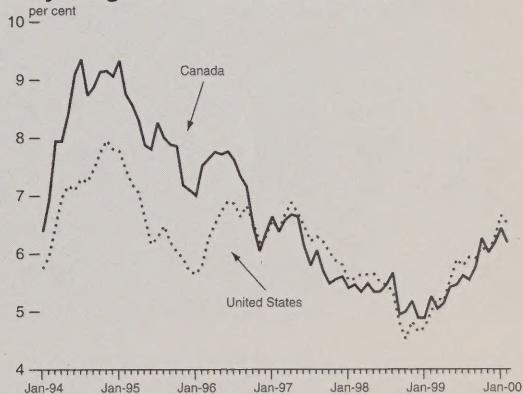
Source: Bank of Canada.

### 3-month Treasury bill rates



Sources: Bank of Canada and Federal Reserve.

### 10-year government bond rates



Sources: Bank of Canada and Federal Reserve.

### Upcoming economic data releases of interest

#### May

April Labour Force Survey  
(May 5)

April CPI  
(May 18)

2000 Q1 National Accounts  
(May 31)

#### June

May Labour Force Survey  
(June 9)

May CPI  
(June 16)

#### July

June Labour Force Survey  
(July 7)

June CPI  
(July 13)



# Government of Canada Securities

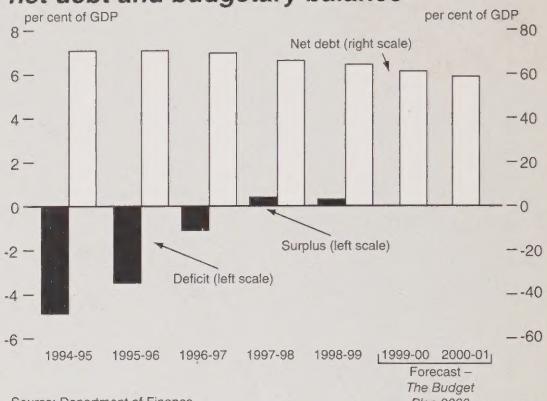
## Canadian Economy

### Selected Canadian economic statistics

	1999				
	1998	1999	Q2	Q3	Q4
<b>Annualized growth rates</b>					
Real gross domestic product	3.1	4.2	3.6	5.5	4.6
GDP excluding inventories	3.6	4.1	0.3	6.8	2.5
Final domestic demand	2.7	3.9	7.0	3.3	6.3
Employment growth	2.7	2.8	2.5	2.2	3.5
<b>Other</b>					
Unemployment rate	8.3	7.6	7.8	7.6	7.0
Current account balance (per cent of GDP)	-1.8	-0.5	-0.9	0.2	-0.5

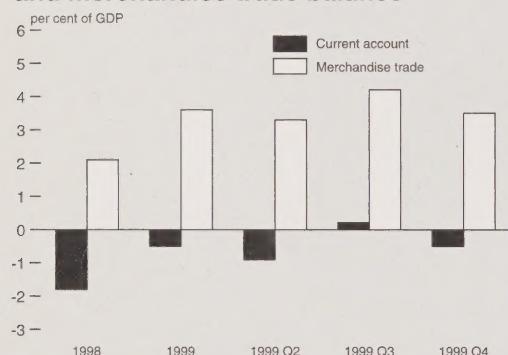
Source: Statistics Canada.

### Government of Canada net debt and budgetary balance

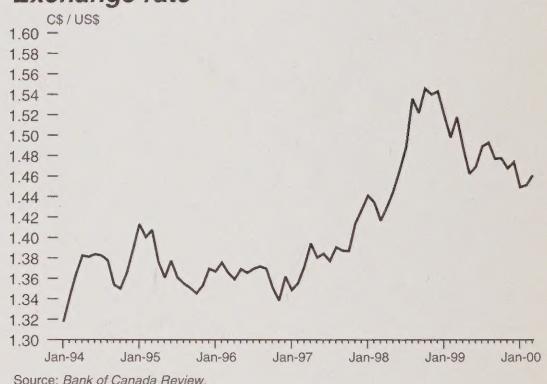


Source: Department of Finance.

### Canada's current account balance and merchandise trade balance

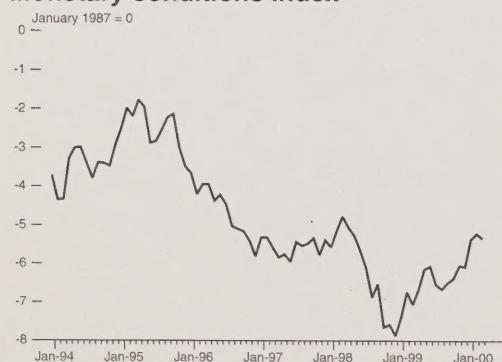


### Exchange rate



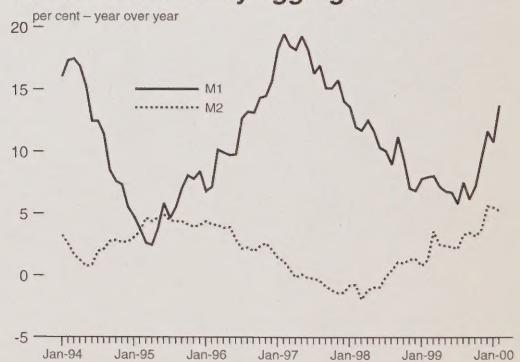
Source: Bank of Canada Review.

### Monetary conditions index



Source: Bank of Canada.

### Canadian monetary aggregates

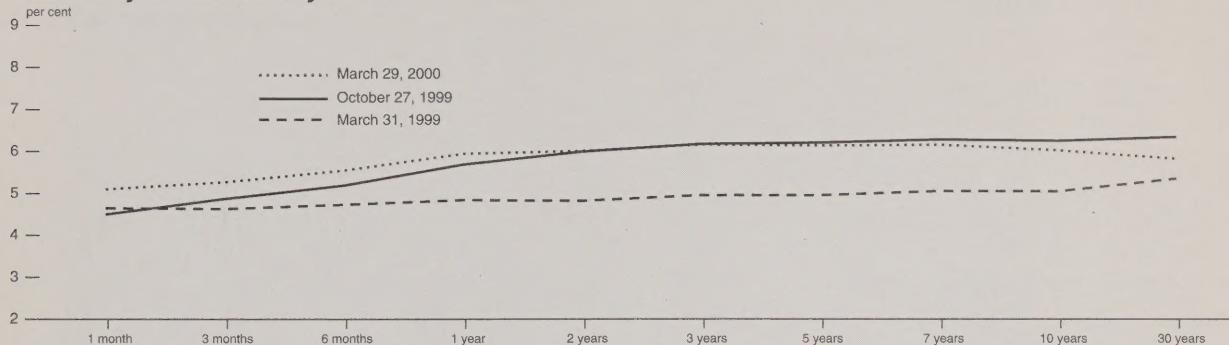


Source: Bank of Canada Review.

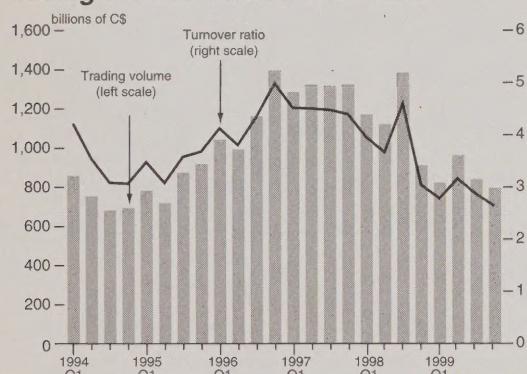
# Government of Canada Securities

## Secondary Market

### Canadian yield-to-maturity curve



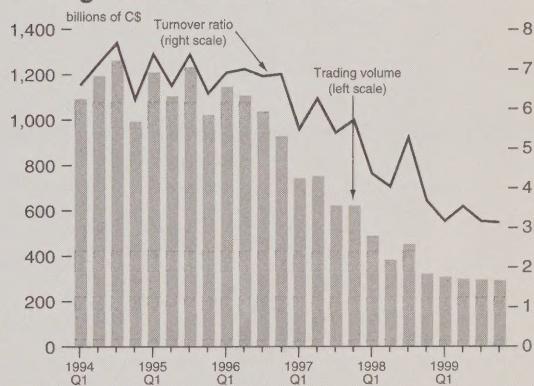
### Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.  
Turnover ratio = total trading volume in each quarter/stock.

Source: Bank of Canada.

### Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.  
Turnover ratio = total trading volume in each quarter/stock.

Source: Bank of Canada.

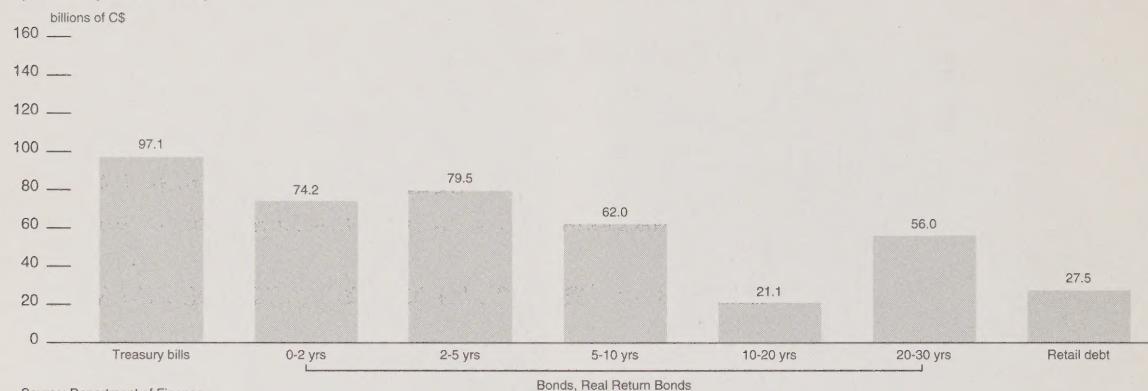
### Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BLC Securities Inc.
- La Caisse centrale Desjardins du Québec
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CT Securities Inc.
- CTI Capital Inc.
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- Goldman Sachs Canada
- HSBC Bank Canada
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- Morgan Stanley Canada Limited
- National Bank Financial Inc.
- Nesbitt Burns Inc. (marketable bonds only)
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Salomon Smith Barney Canada Inc.
- ScotiaMcLeod Inc.
- Société Générale Valeurs Mobilières Inc.
- Tassé & Associates, Limited
- The Toronto-Dominion Bank

# Government of Canada Securities

## Primary Market

**Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of April 5, 2000)**



Source: Department of Finance.

Bonds, Real Return Bonds

### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail*
	(years)		(%)	(millions of dollars)		(%)		(basis points)
March 5, 2000	10	June 1, 2010	5.5	2,600	95.79	6.058	2	3.2
March 1, 2000	30	Dec. 1, 2031	4**	350	100.354	3.98	3.1	n.a.
Feb. 9, 2000	5	Sept. 1, 2005	6	2,800	97.861	6.505	2.3	1
Jan. 26, 2000	10	June 1, 2010	5.5	2,600	92.899	6.451	2.5	0.3
Dec. 1, 1999	30	Dec. 1, 2031	4**	300	99.641	4.02	3.3	n.a.

\* Tail is defined as the high accepted yield minus the average yield.

\*\* Real Return Bond

Source: Department of Finance.

### Forthcoming Government of Canada bond auctions

Type of issue	Auction date (2000)	Further details of issue (2000)	Dated and delivered (2000)	Amount maturing
				(millions of dollars)
30-year auction	Apr. 19	Apr. 13	Apr. 24	-
10-year auction	Apr. 26	Apr. 20	May 1	1,575
5-year auction	May 10	May 4	May 15	-
RRB	May 31	May 25	June 5	-
2-year auction	June 7	June 1	June 15	-

Note: One repurchase operation of Government of Canada marketable bonds is planned under the bond repurchase program in the 5-year sector.

Further details will be released on May 4, 2000.

# Government of Canada Securities

## Primary Market

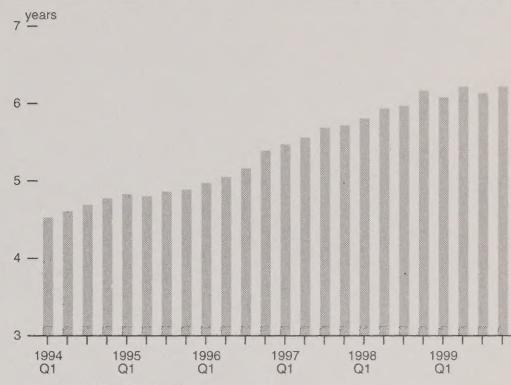
### Government of Canada bond market benchmarks (April 5, 2000)

Term	Maturity	Coupon	Amount outstanding	Yield Apr. 05, 2000
		(%)	(millions of dollars)	(%)
<b>Fixed coupon</b>				
2-year	June 1, 2002	5.75	7,200	5.82
5-year	Sept. 1, 2004	5.00	10,850	5.90
10-year	June 1, 2010	5.50	10,400	5.83
30-year	June 1, 2027	8.00	9,600	5.75
<b>Real return</b>				
30-year	Dec. 1, 2026	4.25	5,250	3.75

The normal bid-ask spread on these bonds is around 5 cents.

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada Review.

### Forthcoming Government of Canada marketable bond maturities

April-June 2000	July-September 2000	October-December 2000	January-March 2001
(millions of dollars)			
1,575	11,875	7,500	13,000

### Outstanding Government of Canada foreign-currency debt (as of February 29, 2000)

	(US\$ millions)
Canada Bills	3,461
Canada Notes	656
Outstanding under EMTN program	3,028
6 1/4% US\$ bonds maturing May 30, 2000	1,500
6 1/4% US\$ bonds maturing May 30, 2001	1,000
6 1/4% US\$ bonds maturing July 15, 2002	1,000
5 5/8% US\$ bonds maturing February 19, 2003	2,000
6 1/4% US\$ bonds maturing November 30, 2004	2,000
6 1/4% US\$ bonds maturing July 21, 2005	1,500
6 1/4% US\$ bonds maturing August 28, 2006	1,000
6 1/4% NZ\$ bonds maturing October 3, 2007	319
4 7/8% DM bonds maturing July 7, 2008	2,219
5 1/4% US\$ bonds maturing November 5, 2008	2,500

Source: Department of Finance.

### Canada's level of liquid foreign reserves

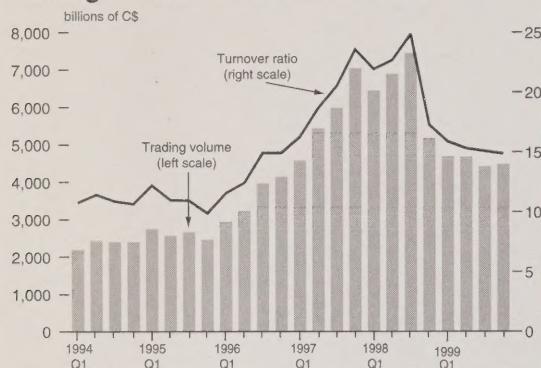


Source: Bank of Canada Review.

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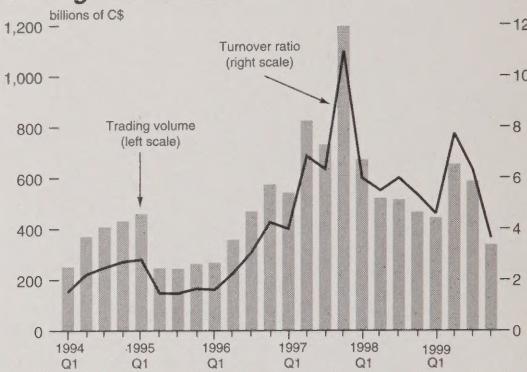
## Secondary Market

### Government of Canada bond repos trading volume and turnover ratio



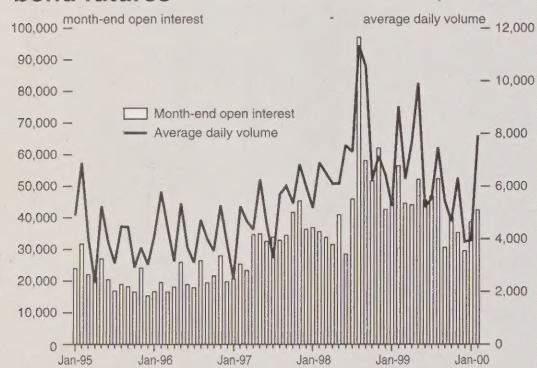
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Source: Bank of Canada.

### Government of Canada Treasury bill repos trading volume and turnover ratio



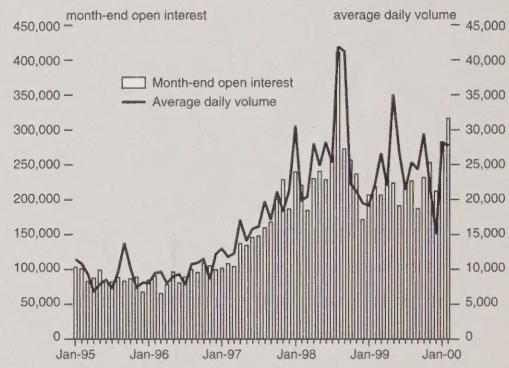
Trading volume is total trading volume in each quarter.  
Turnover ratio = total trading volume in each quarter/stock.  
Source: Bank of Canada.

### 10-year Government of Canada bond futures



Source: The Montreal Exchange.

### 3-month bankers acceptance futures



Source: The Montreal Exchange.

### Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
<b>Domestic debt</b>				
- Trend	AAA Stable	Aa1 -	AA+ Stable	AAA Stable
<b>Foreign debt</b>	AA+ Stable	Aa2* -	AA+ Stable	AA(high) Stable

\*Moody's announced on April 6, 2000 that this rating is under review for a possible upgrade.

This publication is also available on the Internet at <http://www.fin.gc.ca/>.

Except as noted, the information in *Government of Canada Securities* is based upon data available as of April 7, 2000.

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